

## **Federal Communications Commission**

March 22, 2010

#### **OVERVIEW**

- Rapid approval by the Commission of Virgin Mobile USA's pending petitions for designation as an eligible telecommunications carrier (ETC) in the states of Alabama, Connecticut, Delaware, New Hampshire and Washington D.C. would enable the Company to launch Lifeline services in these states as soon as possible.
- Virgin Mobile also requests that the Bureau expeditiously grant its proposal to modify the terms of its compliance plan to streamline and simplify the Lifeline enrollment process for legitimate, eligible customers in the states where the Company is presently offering Lifeline services -- without changing our stringent review and verification procedures.
- Both actions would broaden the availability of much-needed Lifeline services to lower-income customers.



#### VIRGIN MOBILE LIFELINE OFFERING

- Minutes: 200 anytime minutes.
  - \$0.10/additional minute.
  - \$0.15/text message.
- Price: Free to eligible customers.
- <u>Taxes and Fees</u>: No additional charges.
- Extras: Free voice mail, caller I.D. and call waiting.
- <u>Handset</u>: Free.
- Long-Term Contract: None.
- This is the most attractive wireless offer in the market.



#### LIFELINE BACKGROUND

- Virgin Mobile's Lifeline services are currently available in Michigan, New York, North Carolina, Tennessee and Virginia.
  - Michigan waived the PSAP certification process in light of our change in status to a facilities-based carrier.
- The Company's launch of Lifeline services in these states has been a tremendous success.
- Virgin Mobile's prepaid wireless Lifeline services have become essential for lower-income customers in these states, providing them with significant value, access to emergency services and a reliable means of contact for prospective employers or social service agencies.
- Many lower-income customers would not otherwise access wireless services without Virgin Mobile's Lifeline offering.



#### ETC APPLICATIONS

- Virgin Mobile has filed limited ETC designation requests with the Commission for the purposes of offering Lifeline services in Alabama, Connecticut, Delaware, New Hampshire and Washington D.C.
- It is unquestioned that the Commission has the authority to perform the requested designations and that Virgin Mobile satisfies the requirements for ETC status in these states.
- Expeditious approval of the pending requests would promote the public interest by expanding the availability of prepaid wireless Lifeline services to eligible customers.



#### APPLICABILITY OF FORBEARANCE CONDITIONS

- Prior to its November 2009 acquisition by Sprint Nextel, Virgin Mobile operated as a mobile virtual network operator that did not own any network facilities.
- Based on Virgin Mobile's pre-merger status, the Commission's grant of ETC designation for the states of New York, North Carolina, Tennessee and Virginia was predicated on approval of the Company's request for forbearance from the Section 214 facilities-based requirement.
- The Commission's grant of forbearance and ETC designation to the Company was conditioned on its compliance with certain requirements, including obtaining certifications regarding its ability to offer Lifeline customers access to 911 and E911 services.



# APPLICABILITY OF FORBEARANCE CONDITIONS (cont'd)

- Virgin Mobile is now a facilities-based carrier, so the conditions previously imposed on it as a reseller do not apply to the pending ETC designation requests.
- Virgin Mobile's ability to provide Lifeline-supported services over owned network infrastructure eliminates any concerns regarding its ability to provide 911 and E911 services.
  - The Company's 911 and E911 responsibilities and capabilities are identical to those of other Sprint operating subsidiaries.
- The Commission specifically stated that the conditions would apply only to any "prepaid wireless reseller" that sought ETC designation for purposes of offering Lifeline services.
- The Commission should strive for regulatory consistency with regard to similarly-situated carriers.
  - Virgin Mobile's pending requests for limited ETC designation are similar to those filed by other facilities-based wireless carriers (e.g., Cricket).



#### COMPLIANCE PLAN APPLICATION METHODS

- On October 29, 2009, the Commission approved Virgin Mobile's plan detailing the procedures it would undertake to satisfy the conditions imposed on its grant of ETC designation for New York, North Carolina, Tennessee and Virginia.
- Included among these conditions was a requirement that the Company certify customers' initial eligibility for receipt of Lifeline services.
- As described in the compliance plan, Lifeline applicants currently contact a toll-free telephone number to complete an enrollment form, which is then mailed to the customer for signature and certification of initial eligibility under penalty of perjury.



### REQUEST TO MODIFY COMPLIANCE PLAN

• Virgin Mobile's request to modify its compliance plan seeks to simplify the methods by which legitimate, eligible customers enroll in the Company's Lifeline service. The *review and verification procedures will remain unchanged*.

#### Online enrollment.

• Applicants will complete an enrollment form "online" and electronically sign the form, explicitly certifying under penalty of perjury that they are head of their household and receive Lifeline services only from Virgin Mobile.

#### • IVR enrollment.

- Applicants will complete, sign and certify an enrollment form through an IVR telephone-based system.
- Applicants' certification under penalty of perjury will be recorded and saved as a record section of the application (the penalties of perjury will be provided to the customer prior to the customer's voice certification).



## REQUEST TO MODIFY COMPLIANCE PLAN (cont'd)

- Each method of enrollment fully complies with the requirements set forth in the Commission's grant of ETC designation to the Company, including those governing customer certification.
- Under each enrollment method, applications will continue to be carefully reviewed and verified by Virgin Mobile.
- Implementation of these enrollment procedures will increase the opportunities for Virgin Mobile to serve lower-income customers by accelerating and simplifying the customer enrollment process, without compromising the review and verification process.
- By providing additional methods for customers to activate their prepaid Lifeline accounts, Virgin Mobile seeks to broaden the availability of Lifeline services to lower-income customers.



#### **CONCLUSION**

- Virgin Mobile's prepaid wireless Lifeline services provide significant value to lower-income customers.
- Rapid grant of the Company's pending ETC designation petitions will enable Virgin Mobile to quickly commence Lifeline service in additional states, helping to bridge the affordability gap to wireless services for many lower-income customers.
- Expeditious approval of the additional enrollment methods would streamline and simplify the Lifeline application process for legitimate eligible customers in states where the Company is presently offering Lifeline services, without compromising the review and verification process in any way.

